



June 29, 2017

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**Re: *Ex Parte* Communication: CC Docket No. 80-286**

Dear Ms. Dortch:

On June 27, 2017, Mike Skrivan of FairPoint Communications, Inc., Lynn Follansbee of USTelecom, and Genny Morelli and the undersigned of ITTA met with Amy Bender of the Office of Commissioner O’Rielly and the following personnel from the Wireline Competition Bureau, regarding the above-captioned proceeding: Kris Monteith; Lisa Hone; Pam Arluk; John Hunter; Bill Kehoe; Doug Sloten; Ed Krachmer; and Rhonda Lien.

Guided by the attached PowerPoint deck and sample cost study, during the meeting we reviewed separations rules and principles to better understand how costs and revenues are allocated between the state and interstate jurisdiction. We examined the separations categories and related traffic factors showing how specific categories are allocated to the interstate jurisdiction and then how the separations categories are used in Part 69 of the Commission’s rules to assign costs to the various Part 69 elements. We reviewed the separations traffic factors used to allocate various separations categories between the jurisdictions and showed that any separations reform related to separations categories and traffic factors would likely impact the various CAF and ICC Transition mechanisms in place for rate-of-return carriers, and would therefore be disruptive to these mechanisms.

With respect to those carriers that voluntarily froze separations category relationships in 2001, we suggested it is reasonable to allow those companies to choose to update the basic separations category studies to better align jurisdictional allocations with the actual use of the facilities. When that is done there is no need to consider category changes as “duplicative recovery” since all other rate-of-return carriers update their category assignments every year and are not required or expected to consider such update a change in cost assignment to separations categories that triggers a “duplicative recovery” event.

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Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

*/s/*

Michael J. Jacobs  
Vice President, Regulatory Affairs

cc: Amy Bender  
Kris Monteith  
Lisa Hone  
Pam Arluk  
John Hunter  
Bill Kehoe  
Doug Slotten  
Ed Krachmer  
Rhonda Lien